

GUIDING PRINCIPLES, GOALS AND INDICATORS FOR STATE GOVERNMENT INVESTMENT IN ECONOMIC DEVELOPMENT

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Preamble

The California economy changed profoundly in the 20th Century, due in large part to the hard work, innovative capacity, entrepreneurial spirit and diversity of our people. These same qualities will drive radical transformation in our economy in the 21st Century. Yet our public policy framework remains rooted in the past. The State's governance must reflect new global economic, social, technological and budget realities, including an expanded understanding of what constitutes state and regional competitive advantage. Our challenge is to define the role of State government policies and investments in this new environment.

Guiding Principles

State government policies and investments shall strive to achieve regional economic prosperity, improved quality of life, social equity and sustainable use of land and resources. Accepting that economic development is a long-term process and that our prosperity is equated as a high quality of life for all Californians, State government policies and investments should:

- be made with a sustained and long-term perspective;
- acknowledge the differences in the State's diverse regional economies and residents, and facilitate growth and equity for all California communities;
- be based on sound economic information and analysis;
- ensure stewardship of the State's valuable and scarce natural resources; and,
- be transparent and demonstrate clear accountability.

Goals

The goals of state government policies and investments shall be to foster an innovation-based economy that enhances California's economic leadership and will provide for:

- sustainable economic growth for all of our regions;
- quality jobs for more people;

- improved global competitive advantage;
- higher quality of life, including environmental quality, adequate housing and increased wealth for all, resulting from an equitable distribution of opportunities; and,
- improved and efficient utilization of human, financial capital, physical infrastructure and technological assets.

Economic Indicators to Measure Progress of the Goals

Economic Indicators for Sustainable Economic Growth for All of Our Regions include:

- rise in real per capita income in each of the State's nine economic regions compared to the level of increase for competitor national and global regions;
- increase in new business formation or expansion for each of the State's nine economic regions compared to the level of increase for competitor national and global regions;
- increase in number, size and diversity of minority-owned businesses for each of the State's nine economic regions compared to the level of increase for competitor national regions;
- reduction of the percentage of households below the federal poverty line in each of the State's nine economic regions compared to the level of decrease for competitor national regions; and,
- increase in private sector investments such as venture capital and business lending for each of the State's nine economic regions compared to the increase for competitor national and global regions.

Economic Indicators for Quality Jobs for More People include:

- increase in "quality" jobs that pays 150% of the region's median hourly wage and provides health coverage in each of the State's nine economic regions compared to the level of increase in competitor national regions;
- reduction in the gap between high and low income and high and middle income households (measured as a ratio of the average income of the top 5% of households to the bottom 20% of households and top 5% of households to the middle 20 % of households, respectively) in each of the State's nine economic regions compared to the level of decrease in competitor national regions; and,

- increase in jobs in all wage classifications in each of the State's nine economic regions compared to the level of growth of jobs in competitor national region.

Economic Indicators for Improved Global Competitiveness include:

- increase in exports and direct foreign investment for each of the State's nine economic regions compared to the level of increase for competitor national and global regions; and,
- increase in business and tourism travel from out-of-state for each of the State's nine economic regions compared to the level of increase in competitor national and global regions.

Economic Indicators for a Higher Quality of Life, Including Environmental Quality, Adequate Housing and Increased Wealth for All, Resulting from an Equitable Distribution of Opportunities include:

- increase in the percentage of households that are homeowners and increase in affordable housing in each of the State's nine economic regions compared to the level of increase in competitor national regions;
- decrease in housing-to-job commute time and distance in each of the State's nine economic regions compared to the level of decrease for competitor national regions; and,
- improvement in the quality of life in each of the State's nine economic regions compared to the level of improvement for competitor national regions measured by reduction in crime rates, access to health care coverage, increase in recreational opportunities and improvement in environmental conditions.

Economic Indicators for Improved and Efficient Utilization of Human, Financial Capital, Physical Infrastructure and Technological Assets include:

- increase in investments in physical infrastructure, including telecommunications capacity, in each of the State's nine economic regions compared to the level of increase of investments in competitor national regions;
- increase in technology transfer investments for each of the State's nine economic regions compared to the level of increase for competitor national and global regions; and,

- increase in the level of basic and information literacy for each of the State's nine economic regions compared to the level for competitor national and global regions.